

~~CONFIDENTIAL~~

9 April 1974

MEMORANDUM FOR: NIO for Western Europe  
SUBJECT : Control of Italian Industry

One of the points made during my visit to Italy was the growing percentage of Italian industry which is becoming state owned. A corollary of this is the declining influence of the old industrial barons. Instead, they are being replaced by a corporate elite of managers who seem to have no very specific allegiances. It might be worth a study (by OPR?) as to the possible economic and political implications of such a trend toward semi-autonomous managerial control of the substantial levers of power presented by large-scale state ownership. I would be interested in your comments.

W. E. Colby  
Director

WEC:jlp (9 April 1974)

## Distribution:

Original - Addressee  
1 - DDCI  
1 - DCI  
1 - ER

25X